

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 12566 171532Z

44

ACTION NEA-10

INFO OCT-01 ISO-00 HEW-02 OES-03 EB-07 COME-00 OMB-01

TRSE-00 CIAE-00 INR-07 NSAE-00 AID-05 PC-01 PA-01

PRS-01 USIA-06 /045 W

----- 005379

R 171207Z SEP 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1256

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

LIMITED OFFICIAL USE NEW DELHI 12566

E.O. 11652: N/A

TAGS: EIND, IN

SUBJ: PHARMACEUTICAL INDUSTRY: HATHI REPORT

REF: NEW DELHI 11041

1. A CLEARER POLICY TOWARD THE PHARMACEUTICAL INDUSTRY IS BEGINNING TO EMERGE ALTHOUGH NO OFFICIAL STATEMENT ON IMPLEMENTATION OF THE HATHI REPORT HAS BEEN MADE. MANY OF THE RECOMMENDATIONS OF THE HATHI COMMITTEE ARE BEING ADOPTED WITH THE NOTABLE EXCEPTION OF NATIONALIZATION. THE FURTHER GROWTH OF THE INDUSTRY WILL BE ORIENTED TOWARD THE REQUIREMENTS OF THE RURAL POPULATION. TO STIMULATE PRODUCTION OF BULK DRUGS COMPANIES WILL BE ALLOWED A HIGHER RATE OF PROFITABILITY. SIGNIFICANTLY, JAISUKHLAL HATHI HAS BEEN APPOINTED CHAIRMAN OF THE PUBLIC SECTOR COMPANY, INDIAN DURGS AND PHARMACEUTICALS, LIMITED (IDPL).

2. THE HATHI COMMITTEE RECOMMENDED NATIONALIZATION OF THE INDUSTRY BUT BOTH TRADE SOURCES AND GOI OFFICIALS TELL US THAT THIS RECOMMENDATION WILL NOT BE IMPLEMENTED AT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 12566 171532Z

THE PRESENT TIME. THE GOI EXPERIENCE WITH PUBLIC SECTOR,

WHICH RELIES HEAVILY ON SOVIET TECHNOLOGY, HAS NOT BEEN A HAPPY ONE. THE THINKING IN THE P AND C MINISTRY IS THAT ANY FURTHER NATIONALIZATION WOULD ONLY COMPOUND PROBLEMS OF LOW PRODUCTION AND UNAVAILABILITY OF THE LATEST TECHNOLOGY WHICH HAVE PLAGUED IDPL.

3. ACCORDING TO NEWSPAPER REPORTS, WHICH MINISTRY OF PETROLEUM AND CHEMICALS OFFICIALS INDICATE ARE ACCURATE, PRODUCTION OF 30 NEW DRUGS INCLUDING FORMULATIONS HAVE BEEN RESERVED FOR THE PUBLIC SECTOR. AN ADDITIONAL 42 DRUGS HAVE BEEN DESIGNATED FOR LICENSING TO THE INDIAN PRIVATE SECTOR OR FOR PRODUCTION BY FOREIGN DRUG FIRMS. THE LATTER LIST INCLUDES: DEXAMETHASONE, TRIAMCINOLONE ACETATE, THIERYDAZINE (MALLERIL), ISOPTIN, CHLORAMPHENICOL, CHLORPHENITRAMINE MALIATE, CHLORPROMAZINE HCL, VITAMIN A, B-12, D-2, D-3, GLYCERYL TRINITRATE, TETRACHLOROETHYLENE, INSULIN, DDS (DAPSONE), (WCHLOROQUIN PHOSPHATE, PRIMAQUIN PHOSPHATE, ASPIRIN, ALL STEROIDS/HORMONES, HYDROCHLORTHIAZIDE, THEOPHYLLINE/AMINOPHYLLINE, SUCCINYL CHOLINE CHLORIDE, NOR-ADRENALINE TARTARATE, AXYTOCIN, METHYL EROGOMETRINE MALEATE, MEPHENTERMINE SULPHATE, ATROPINE SULPHATE, BACITRACIN, OLEANDOMYCIN, THIPPENTIL SODIUM, RESERPINE, HOMOTROPINE, PHYSTIGMINE, MENTHOL, THYMOL, BENZOIC ACID, BENZALDEHYDE, SALICYLIC ACID, METHYL SALICYLATE, CETRIMIDE, PRENYLAMINE AND OXYPHENYL BUTAZONE.

4. IF THE STATUS OF FOREIGN DRUG FIRMS OPERATING IN INDIA ARE DISCUSSED AT THE JOINT COMMISSION MEETING WE SUGGEST THAT THE FOLLOWING POINTS BE MADE:

(A) THE GOI SHOULD MOVE QUICKLY TO DETERMINE THE ROLE AND PROVIDE GUIDELINES FOR THE FUTURE OPERATION OF FOREIGN DRUG FIRMS IN INDIA. FAILURE TO DO SO ONLY HAS A NEGATIVE IMPACT ON GOI ATTEMPTS TO ATTRACT FOREIGN TECHNOLOGY.

(B) THE GOI SHOULD TAKE A REALISTIC VIEW OF THE PRODUCTION CAPABILITY OF THE PUBLIC SECTOR WHEN ASSIGNING THE PRODUCTION OF DRUGS TO VARIOUS SECTORS. THE FOREIGN SECTOR CAN MAKE A MAJOR CONTRIBUTION IN VIEW OF THE FACT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 12566 171532Z

THAT LARGE FOREIGN FIRMS HAVE LATEST KNOW-HOW AND PROVEN PRODUCTION CAPABILITIES.

(C) FOREIGN FIRMS SHOULD BE ALLOWED TO REPATRIATE A REASONABLE AMOUNT OF PROFIT. NO ARBITRARY LCITS SHOULD BE SET.

(D) THE GOI SHOULD BE FLEXIBLE IN REQUIRING EXPORT

COMMITTMENTS OF FOREIGN FIRMS IN EXPANSION PROJECTS. THE
CURRENT POLICY REQUIRING THAT 60 PERCENT OF ALL
EXPANSION PRODUCTION BE EXPORTED IS UNREALISTIC.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DRUG INDUSTRY, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE12566
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750322-0584
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750944/aaaabmkt.tel
Line Count: 119
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 NEW DELHI 11041
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 18 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 AUG 2003 by ElyME>; APPROVED <24 NOV 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PHARMACEUTICAL INDUSTRY: HATHI REPORT
TAGS: EIND, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006